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Global Agricultural Information Network

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Report Highlights:

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General Information:

Welcome to the Russian Agricultural Policy and Situation Bi-Weekly Update, a summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Russia, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

GOR Approves Development Strategy of the Russian Export Center: The Government of Russia Order No.892-p of May 10, 2017 approved "The Development Strategy of the Russian Export Center until 2019". Russian Export Center (REC) will act as the government agent for distribution of subsidies and state guarantees and will directly support exporters and investors abroad. The total budget for the programs (listed below) under the "Development Strategy of the REC until 2019" for 2017-2018 is estimated at 16.8 billion rubles. Specifically, REC will compensate companies for their expenditures for certification, logistics and registration in the foreign markets. In addition, it will partly finance promotions of high-tech products and increase awareness of the Russian brands overseas. In 2017, the planned allocation is 728.4 million rubles under the priority project "Export of Agricultural Products" for the development of export potential of the Russian agricultural producers. It is expected that as a result of this initiative, exports of agricultural products in 2017 will increase by six percent to \$17.9 billion.

According to the representative of the REC, projects are already being implemented to compensate for the costs of protecting intellectual property rights abroad, including up to 70 percent of the costs for record keeping and up to 100 percent for payment of fees (the amount of funds provided for these purposes in 2017-2018 is 700 million rubles), as well as compensation for up to 90 percent of certification costs in foreign markets and up to 50 percent of R&D costs (in 2017-2018, the planned allocation is 760 million rubles). From the second half of 2017, exporters will also be able to receive co-financing for participation in exhibitions and fairs. The planned allocation is 2.72 billion rubles for this purpose. From the third quarter of 2017, the program on partial compensation of costs for transportation of products (planned allocation of 11.8 billion rubles in 2017), is expected to be fully operational.

<http://government.ru/docs/27640/>

GOR Approved National Report on Quarantine and Phytosanitary Status in Russia in 2016:

Russian Government Order No. 917-p of May 13, 2017, adopted the National Report on Quarantine and Phytosanitary Status of the Territory of the Russian Federation in 2016 (hereinafter – National Report 2016). The Report was prepared by the Federal Phytosanitary and Veterinary Service of the Russian Federation (VPSS) in accordance with the Russian Federal Law of 2014 "[On Plant Quarantine](#)" and contains information on the distribution of quarantine organisms in the territory of the Russian Federation as of January 1, 2017, on the establishment of the quarantine phytosanitary zones in Russia for each quarantine specie, as well as on the termination of the quarantine zones for each specie.

FAS/Moscow reported on the previous [National Report on Quarantine Phytosanitary Status of Russia in 2015](#) in June 2016. The full version of the National Report on Quarantine and Phytosanitary Status of the Territory of the Russian Federation in 2016 (in Russian) and the Government Order No. 917 can be viewed on the site of the Russian Government: <http://government.ru/docs/27684/>

Milk production increased 1.3 percent in January-April 2017: According to the Ministry of Agriculture milk production at all types of farms increased to 9 MMT in January –April 2017, which is 1.3 percent annual increase. Average per cow yield at commercial farms reached 2,056 kg., 5.3 percent more compared to the same period of 2016. Total cattle herd was 19.5 million head on May 1, 2017, 1.5 percent less than in May 2016; and cow herd declined 1.4 percent to 8.3 million head. <http://mcx.ru/press-service/news/za-chetyre-mesyatsa-proizvodstvo-moloka-uvelichilos-na-1-3/>

Rosstat Reports Nearly 5 percent Increase in Production of Fish and Fish Products in January-March 2017: According to the Russian Statistical Agency, production of fish and fish products increased by 4.8 percent in the first quarter of 2017 compared to the same period in 2016 and reached 1.42 MMT. Production of frozen fish increased by 2.4 percent to 785,100 MT for the period, roe and imitation roe – by 13.6 percent up to 31,500 MT, frozen crustaceans – by 16.2 percent, to 10,900 MT, smoked fish, including fillet – by 3.3 percent, up to 13,400 MT. At the same time, production of canned fish in January- March 2017 declined by 30 percent to 16,100 MT versus the same period in 2016. <http://fish.gov.ru/press-tsentr/novosti/17881-za-pervyj-kvartal-2017-goda-ob-em-proizvodstva-rybnoj-produktsii-v-rossii-vyros-pochti-5-do-1-4-mln-tonn>

Far Eastern Scientific Fishery Council Discussed Issues of the Upcoming Salmon Season: On May 16, participants of the Far Eastern Scientific Fishery Council held a meeting in Vladivostok to discuss organizational issues of the upcoming salmon season 2017. During the meeting officials from the Federal Fisheries Agency (RosRybolovstvo) stated that potential salmon catch in 2017 season is estimated at 320,000 MT, including 143,600 MT of pink salmon, and 119,000 MT of chum salmon. Also, he noted that prospects for sockeye salmon and coho salmon look good. For the second year in a row, Kamchatka province is expected to have a leading position in salmon catch. Reportedly, 187,000 MT of salmon is the recommended catch in Kamchatka in 2017. During the meeting local officials from Sakhalin raised a concern about slowing spawning of salmon in the Eastern Sakhalin zone. Rosrybolovstvo officials ordered that an additional group of scientists from the federal industry institutes assist the local researchers in finding solutions and conduct monitoring and detailed data collection in the problematic zone. It is expected that in total 63,000 MT of salmon will be harvested in Sakhalin in 2017.

<http://fish.gov.ru/press-tsentr/novosti/18001-na-dvnps-obsudili-organizatsionnye-voprosy-lososevoj-putiny-2017>

Large Grain Processing Facility to be Launched in Krasnoyarsk Territory: Alexander Tokarev, General Director of AgroIndustrial Park “Siberia”, located in Krasnoyarsk territory, announced that currently his company is negotiating with investors for constructing a grain processing facility. The design capacity of the factory will be 250,000 MT a year. The cost of the project is 12.3 billion rubles. It is expected that the facility will start operation in 2020. http://sfera.fm/news/v-krasnoyarskom-krae-postroyat-krupnyi-zernopererabatyvayushchii-kompleks_18372

First Shipment of Sunflower Oil Destined to Iran: Agroholding “Solnechnye Produkty” informed about its first shipment of 4,000 MT of sunflower oil to Mehrvandad Company in Iran. For the first time sunflower oil produced by Balakovo Oil Extraction Facility, located in Saratov province, was shipped on a tanker down the Volga river. Currently negotiations are under way with another buyer from Iran for shipping 10,000 MT of sunflower oil. The company considers Iran as a strong prospective market and intends to enlarge its footprint in the market.

<http://www.agroinvestor.ru/markets/news/27419-solnechnye-produkty-otpravili-4-tysyachi-tonn-masla-v-iran/>

Agricultural Production in Kazakhstan up 2.9 Percent in January-April: The Statistics Committee of the National Economy Ministry reported that Kazakhstan produced almost \$1.6 billion worth of agricultural products in January-April 2017 or an increase of 2.9 percent from the same period last year.

According to statistics, livestock production came to \$1.5 billion in value or up three percent year-on-year, crop production to \$63.8 million or no change from January-April 2016.

In the reporting period, the number of cattle in the Republic grew by 3.9 percent year-on-year to 7.715 million head. In January-April 2017, the number of goats decreased by 0.8 percent to 3.112 million head, pigs by 5.1 percent to 925,500 head, while the number of horses grew by 8.9 percent to 2.543 million head, sheep by 1.4 percent to 21.214 million head, and poultry by 8.1 percent to 39.620 million head.

Sowing Operations Start in Kostanai Region: The Agricultural department reported on the beginning of sowing operations in Kostanai region. This year, the total area under crop is 4.685 million hectares, including 4.070 million hectares under grain. This is compared with 4.691 million ha and 4.215 million hectares, respectively, in 2016.

Almaty Product LLP Invests \$11.2 million to Expand Confectionery Production: The regional administration reports that Almaty Product LLP invested \$11.2 million in modernization of its confectionery factory in Almaty region. The production capacity of the confectionary plant has been upgraded from 7,000 MT to 13,000 MT of products per year. The factory, founded in 2008, now produces more than 250 confectionary items, including biscuits, caramel, dry breakfasts, snacks and waffles.

A greenhouse to be built in Kyzylorda in 2018: The administrative center of the Kyzylorda region reports that Major Agrarian League LLP will put into operation a greenhouse in Kyzylorda in 2018. The cost of the project is about \$3.2 million. The greenhouse will produce about 2,000 MT of vegetables a year. The project will create 35 jobs. Major Agrarian League LLP, organized in 2014, is an agricultural producer.

Greenfarm Launches a Walnut Project in Almaty Region: Greenfarm, an agricultural producer, will plant 220,000 walnut trees in the Almaty region in the next three years. The area under walnut trees will cover 800 hectares. The cost of the project is \$5.8 million (316.25/\$1).

www.interfax.kz

